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C O N F I D E N T I A L SECTION 01 OF 04 BRASILIA 000124

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DEPARTMENT FOR WHA, PM, EEB, AND OES

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SUBJECT: BRAZIL'S LONG-TERM PLANNING MINISTER OUTLINES  
POSSIBLE COLLABORATION WITH U.S.

REF: BRASILIA 99

Classified By: AMBASSADOR CLIFFORD SOBEL, REASONS 1.4 (B) AND (D)

¶1. (C) Summary. Over the course of two meetings with the Ambassador (accompanied by PolCouns, DAO, and MLO representatives) and a briefing with Department of Defense officials in Cambridge, Long-Term Planning Minister Roberto Mangabeira Unger has laid out his vision for a U.S.-Brazil partnership focused on cooperation in defense, education, small business, and environmental management. At its most ambitious, Unger's vision includes a proposal for a broad strategic partnership, involving a select number of other countries in the hemisphere, aimed at expanding economic and education opportunity. Although Unger's weight in the Lula administration remains unclear and his actions have been criticized in the media, he is a well-informed and sympathetic voice on the topic of U.S.-Brazil relations at the senior levels of the GOB. End summary.

¶2. (C) Unger, who took leave from his long-time teaching position at Harvard in July 2007 to head the newly created Secretariat for Long-Term Planning, first called on the

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Ambassador in late October. The meeting came just after the Senate, as part of an unrelated spat, rejected the Administration's proposal to officially create a Ministry of Long-Term Planning. (As a result, Unger remains head of a secretariat within the presidency.) Unger told the

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Ambassador that he agreed to take on the job only after President Lula committed that he could look beyond the end of the current government in developing a new model for socially inclusive development. In doing so, Unger is partnering with ministries to define practical initiatives toward key elements of this long-term goal. Despite the high-profile and contentious start to his duties, Unger said he is trying to keep a low-profile and allow the responsible ministries to take the public lead on the initiatives.

¶3. (SBU) As a result of the October meeting, post arranged a briefing on defense issues for Unger during a visit to Cambridge. (Note: Unger told the Ambassador that he returns to Cambridge, where has lived since 1970, about once a month to visit his family. End note.) On January 14, the Ambassador met with Minister Unger to follow up his Cambridge briefing and explore next steps. Over the course of the three meetings, Unger has consistently raised four issues he believes would make a good focus for U.S.-Brazil "bi-national" projects: defense, education, small business,

and environment, which are also foci of his broader effort to craft a new socially inclusive development strategy.

## Defense

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14. (C) Unger is working closely with Defense Minister Nelson Jobim and an inter-ministerial committee created in September 2007 that is charged with crafting a new national defense strategy by September 2008. Unger told the Ambassador that Brazil has never had a national civilian discussion of defense strategy, but with a military that is "no good for war, and no good for peace," it is time for such a discussion to take place. (In Cambridge, Unger lamented the lack of civilian defense expertise in the MOD, which was noted as a possible area of collaboration.) The basic element of the new strategy is to reorganize the military around a technological and operational vanguard, based on national capabilities.

-- For the navy, this means placing a priority on a nuclear-propelled submarine (see septel). On this project, he believes the United States could be helpful with developing the hull, software, and tactical armaments. He said that the Brazilians have the expertise and technology to develop the fuel cycle, and do not need to collaborate with the U.S. on this.

-- For the air force, this means either purchasing advanced aircraft, if such a purchase can be made with provisions for technology transfer and some component of joint development, or instead focusing on a combination of modernization to the extent possible of current planes, development of new projects already under way (e.g., on UAVs), and development with a third country of prototypes that will help upgrade Brazil's technology and weapons.

-- For the army, the GOB is looking at reorganizing around

BRASILIA 00000124 002 OF 004

the ten percent of the force that already operates as a rapid reaction strike force. This would imply investment in night vision equipment, communications equipment, and space monitoring capability. Unger added that one possibility for development of the needed equipment and weapons is to give a greater emphasis to project that the army's research and development center, CTEX, is attempting to develop.

-- Finally, noting their recently agreed joint venture with China, Unger mentioned Brazil's interest in developing its ability to launch and maintain satellites as part of their effort to monitor their national territory and waters.

Unger says that there is a great deal of skepticism that the United States and other countries will be willing to share the technology necessary for Brazil to make this strategy work. However, he said that his "theme" is to test the limits of what is possible.

15. (C) A second element of the strategy is to create a link between defense and the national development strategy--that is, to see the defense sector as an engine for growth. In other words, Unger said, he wants to put military reform into the broader context of his effort toward "institutional renovation" in reconstructing Brazil's development model.

## Education

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16. (SBU) Unger sees education as a pivotal element to Brazil's development strategy. Brazil is focusing on developing quality public education at the middle- and high-school levels, with an emphasis on teaching methods and increasing science and technology offerings. More broadly, he is looking at the federal-local dynamic, one in which he believes the U.S. and Brazil have similar interests. He said

that Brazil has mastered issues of national monitoring and redistribution of resources, but believes that both the United States and Brazil still need to solve the problem of how the federal level can engage local governments in a collaborative, non-judicial, flexible way when a school is consistently below standards.

#### Small Business

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¶17. (SBU) Noting that small business drives both the U.S. and Brazilian economies and forms the basis for socially inclusive economic growth, Unger would like to work together with the United States on ways to transfer advanced practices and technologies to small business. Unger said that Brazil's small business agency, SEBRAE, is trying to move away from a "neo-Korean" model of picking winners, and has already created some excellent technology and finance support programs, but he believes that there is scope to do more. (Note: SEBRAE and the U.S. Small Business Administration already have cooperative programs in place, and an SBA consultant worked with SEBRAE for a six week period in 2007 to exchange ideas and experiences. End note.)

#### Environmental Management

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¶18. (SBU) Unger sees environmental management, in particular of Brazil's Amazon, as an area where the United States could work with Brazil. Noting its connection to the broader climate change debate, he told the Ambassador that neither of the two images in people's minds--of a nature park or of a "new Mato Grosso" (i.e., a region deforested for intensive agriculture or cattle grazing)--is acceptable. He would like to look at possibilities for "zoning" in the Amazon that would allow for both preservation and a variety of economic activities. The Ambassador cautioned that U.S. involvement in the Amazon remains a sensitive issue in Brazil, which Unger said he understood.

#### The Big Picture

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¶19. (SBU) In the January 14 meeting, Unger told the Ambassador that he is most interested in achieving a "methodological" advance with regard to U.S.-Brazil cooperation. He refers to these initiatives as "bi-national" because he wants to move away from the traditional idea of assistance, which he sees as unacceptable, toward a more collaborative effort between the United States and Brazil as equal partners. Ideally, he

BRASILIA 00000124 003 OF 004

would like to see collaboration on three levels. As a first tier of collaboration, he would like to see a political initiative among willing countries in the hemisphere, formed on the basis of a bilateral partnership between the United States and Brazil, aimed at expanding educational and economic opportunities in the region. He said that he has personally discussed such an idea with Mexican President Calderon, and he believes that both Mexico and Brazil would be willing to join in such an initiative. Although he recognizes it is unconventional coming at the end of an American administration, he believes the United States should propose such an initiative as a long-term, "national" program for the hemisphere.

¶10. (SBU) Under this broad framework, he sees the education, small business, and environmental collaboration as a second-tier, operational set of collaborative efforts aimed at developing new solutions to common problems, while the defense collaboration (which he sees as having substantial political limitations) represents third-tier issues, in which our joint efforts will be determined by the existence of practical opportunities. Unger promised to flesh out his idea for a broader initiative in a letter to President Bush.

¶11. (C) The Ambassador welcomed Unger's desire to cooperate with the United States more closely, noting that the rapport between our two presidents has been the key to recent advances in our bilateral relationship, such as the CEO forum and biofuels cooperation, and will be central to making additional advances of the type that Unger was describing. The Ambassador said he would like to ensure that Unger's upcoming visit to the United States with Defense Minister Jobim (currently scheduled for mid-March) is as successful as possible. He proposed working to arrange a visit by a senior DOD official to discuss the defense issues prior to the Washington trip, looking into more focused meetings for Unger prior to the joint meetings he and Jobim would attend in Washington, and arranging a visit to Washington by one of Unger's senior staffers to set up meetings on the education, small business, and environment fronts. Unger agreed that these would be useful.

¶12. (C) Comment: With most of his adult life spent in the United States, Unger is a sympathetic presence at the senior levels of the GOB, one who understands the United States well, even if he will not always see eye to eye with U.S. policy--he has expressed concern about one of our key initiatives, the Defense Cooperation Agreement, for example (reftel). Moreover, it remains unclear how much weight Unger's views carry in the GOB. but he appears to have the support of President Lula, works closely with Defense Minister Jobim, and seems to have established good working relationships with other key ministries. But his position and actions continue to create controversy. Although the environment minister told the press she had no problem working with Unger, she did not accompany him on a recent trip to the Amazon to talk about how best to manage its resources. Both his 35-member delegation and his proposal for an aqueduct to take water to other areas of Brazil were severely criticized in the press (along with his Boston accent when speaking Portuguese and his attentiveness to the trappings of ministerial rank). Unger seems unphased by the criticism, insisting that his job is to stir debate by searching for and putting out for discussion different solutions to Brazil's problems. End comment.

¶13. (SBU) Biographical Note: Roberto Mangabeira Unger was born in Rio de Janeiro in 1947, the son of an American father and a Brazilian mother. As a child, he moved to the United States with his family, where he lived until age 11. (Unger told the Ambassador that, at the age of ten, while living in New York, he wrote a letter to President Eisenhower critiquing his now famous "military/industrial complex" speech. Unger received a personal return letter from Eisenhower responding in detail to his critique.) Unger attended university in Brazil and returned to the United States to attend Harvard Law School during the dark days of the military dictatorship in Brazil. He joined the faculty in 1970, becoming one of the youngest faculty members ever to receive tenure at Harvard in 1976. In the same year, Unger won a Guggenheim Fellowship. He was appointed the Roscoe Pound Professor of Law in 2000, and elected to the American Academy of Arts and Sciences in 2004. Unger became part of the movement known as Critical Studies in Law. His research interests are legal, political, and social theory. He is the author of 17 books. In 2007, Unger published two books in

BRASILIA 00000124 004 OF 004

the United States: "The Self Awakened: Pragmatism Unbound," and "Free Trade Reimagined: The World Division of Labor and the Method of Economics." Unger has remained connected to Brazil, where he was a founder of the Brazilian Republican Party (PRB) and put himself up as a possible presidential candidate in 2005 for two small parties, first the Democratic Labor Party (PDT) and then the Humanist Solidarity Party (PHS). Unger's appointment to a ministerial post in the Lula administration in July 2007 came as something of a surprise given that, in a 2005 newspaper article, he was quoted describing Lula's government as "the most corrupt in Brazil's history"--a statement that continues to be cited in every

press article written about him--and calling for Lula's impeachment. He returns to Cambridge once a month to visit wife and four children. Unger speaks fluent, unaccented English.

SOBEL